

VIA CERTIFIED MAIL
No. 7000 1670 0009 3122 7605
RETURN RECEIPT REQUESTED

Mr. Raymond E. May, President
PTP Incorporated
P.O. Box 188
Minden, NV 89423

Re: **Safe Drinking Water Act Violations**
At Pine View Estates, Douglas County, Nevada

Dear Mr. May:

The Water Division of the Environmental Protection Agency, Region IX ("EPA") has found that PTP Inc. has failed to comply with the Underground Injection Control ("UIC") Class V Injection Permit No. NV504000001 (the "Permit"), issued by EPA pursuant to the Safe Drinking Water Act ("SDWA"), and has also violated the UIC regulations at 40 CFR Parts 144-147. EPA is seeking compliance and a penalty from PTP Inc., pursuant to SDWA § 1423(c), 42 U.S.C. § 300h-2(c), for violations of the UIC regulations and the Permit. We are contacting you to determine if you wish to discuss settlement before EPA files a complaint seeking a penalty for these violations.

As you are aware, PTP Inc. operates two Class V injection wells (disposal fields A and B) at the Pine View Estates subdivision that PTP Inc. is in the process of developing on Indian allotment land in Douglas County, Nevada. EPA has conducted several inspections of the UIC Class V wells that serve this subdivision. In September 2004 we issued you a UIC Permit authorizing injection activities at these Class V wells, and since that time we have issued two Notice of Violations for unauthorized discharges and Permit violations. PTP violated the UIC regulations and its Class V Permit by engaging in unauthorized injection activities at disposal field B, and by failing to install monitoring wells, submit a sampling plan, perform inspections and monitor, submit monthly and annual reports, and report injectate volumes, as required by the Permit. We note that some of these violations are ongoing, and that EPA has yet to receive the annual reports required under the Permit, including the annual report for 2006, and has yet to receive the injectate flow monitoring reports for 2006 and 2007 as required under the Permit.

Pursuant to Section 1423(c) of the Act, 42 U.S.C. § 300h-2(c), and 40 C.F.R. § 19.4, EPA may issue an order requiring compliance and assessing an administrative civil penalty for the violations discussed above of not more than \$11,000 for each day of each violation, up to a

maximum penalty of \$157,500, against any person who violates the SDWA or any requirement of an applicable UIC program.

We have determined that an administrative penalty is appropriate here, and we are prepared to file an administrative complaint seeking up to \$157,500 for the violations at issue. However, we are hereby extending to you the opportunity to settle the matter. If an agreement can be reached, the settlement would be in the form of a consent order subject to public notice and opportunity to comment, filed in a proceeding under Sections 1423(c) and 1445(a) of the SDWA, 42 U.S.C. §§ 300h-2(c) and 300j-4(a).

Please note that the offer for settlement is extended to you to reach a quick resolution of the matter and, accordingly, is time limited. If you would like to discuss settlement, please contact Aaron Setran in our Ground Water Office at (415) 972-3457, or at the above address. You may also have your legal counsel contact Rich Campbell in our Office of Regional Counsel at (415) 972-3870, or at the above address, or by email at campbell.rich@epa.gov. You must contact Messrs. Setran and/or Campbell within **14 days** of receipt of this letter. Should you not agree to discuss a proposed settlement, EPA reserves the right to seek the maximum allowable penalties for the violations at issue.

We also wish to inform you that if PTP Inc. is a small business then the Small Business Regulatory Enforcement and Fairness Act provides such businesses with the opportunity to submit comments on regulatory enforcement at the time of an EPA enforcement activity. The enclosed Information Sheet provides information on this right, as well as information on compliance assistance that may be available to you. The Small Business Ombudsman may be reached at 1-800-368-5888.

We appreciate your cooperation and prompt attention to this matter.

Sincerely,

Alexis Strauss, Director
Water Division